



# PRESS NOTICE

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FOR IMMEDIATE RELEASE

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## **LEADERS OF 1.8 MILLION UPSTATE FRAUD SCHEME PLEAD GUILTY**

**Columbia, South Carolina** ---- United States Attorney Bill Nettles stated today that 11 members of a upstate fraud conspiracy pled guilty today in federal court to violation of Title 18, United States Code, Section 1349, which criminalizes use of the mails to further a scheme or artifice to defraud. United States District Judge J. Michelle Childs of Greenville accepted the plea and will impose sentence after she has reviewed the presentence report which will be prepared by the U.S. Probation Office. The defendants who plead guilty are Hope Serena Mitchell, age 41 of Spartanburg, Dorothy J. Mitchell, age 51 of Spartanburg, Martha R. Johnson, age 54 of Spartanburg, Robert Johnson, age 44, of Spartanburg, Melanie Jean Mitchell, age 27 of Spartanburg, Wendy Jeanette Rice, age 48 of Moore, Richard Kenneth Lipscomb, age 46 of Spartanburg, Devek Jermaine Mitchell, age 20 of

Spartanburg, Derrick Lashawn Sinclair, age 27 of Spartanburg, Wesley Germaine Hall, age 34 of Spartanburg, and Lisa Nicole Stafford, age 22 of Spartanburg.

Evidence presented at the change of plea hearing established that the United States Postal Inspection Service and local law enforcement have been conducting an investigation into a wide-spread check fraud conspiracy operated by Hope Mitchell and her associates. The scheme used by the conspiracy was simple and effective. The leaders of the conspiracy, many of whom were from the Mitchell family, recruited indigents in the Union and Spartanburg, South Carolina areas to participate in the scheme. Typically, Hope Mitchell or one of her lieutenants would take the recruit to SCDMV where the recruit's ID would be changed to list a conspiracy-controlled address as the recruit's residence. With the new ID in hand, the recruit is taken to a bank for the opening of an account. The account is opened with a small amount of money such as \$25 and the recruit orders checks which are mailed to the conspiracy-controlled address listed on the recruit's ID.

Once the conspiracy receives checks in the mail, the recruit is located and taken "shopping." Members of the conspiracy accompany the recruit and direct the purchasing of expensive items such as lawn mowers, power tools, and computers. At the cash register, a member of the conspiracy fills in the check and signs it for the recruit. The recruit just shows his or her ID to the cashier. Typically, the recruit does not sign the check and is instructed by the conspiracy's leaders to later report the checkbook stolen. Because the signature on the check

does not match the signature card, the leaders of the conspiracy falsely inform the recruit that civil or criminal liability can be avoided. There are insufficient funds to cover the checks written and thus merchants suffer the loss of the merchandise. After the merchandise is obtained, members of the conspiracy sell the items for far below the retail price. The money from these sales are split among the conspirators. Law enforcement estimates that the conspiracy has caused losses in excesses of \$1.8 million.

Mr. Nettles stated the maximum penalty the conspirators can receive is a fine of \$250,000 and/or imprisonment for 20 years, plus a special assessment of \$100.

The case was investigated by agents of the United States Postal Inspection Service and multiple local law enforcement agencies in Greenville, Spartanburg, Union, and York counties. Assistant United States Attorney William J. Watkins, Jr. of the Greenville office handled the case.

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